

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Dukes County Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 2, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule maintains the 7.50% investment return assumption from 2018. There was an adjustment to the fully generational mortality assumption.

The 7.50% assumption is in the high end of what we consider to be a reasonable range as of January 1, 2020. For comparison, there are currently 75 systems using an assumption of less than 7.50%. Of these 64 are using an assumption of 7.25% or less. We have been generally recommending a range of 6.90% to 7.15% for the 2020 valuations that PERAC performs.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

Exhibit 3.1 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2002	Amortization Payment of ERI 2003	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2021	\$2,701,404	\$4,423,508	\$178,810	\$61,731	\$200,000	\$7,565,453		\$48,275,095
2022	2,821,829	4,553,752	186,856	64,509	400,000	8,026,946	6.10%	47,145,809
2023	2,920,593	4,933,319	195,265	67,412	400,000	8,516,589	6.10%	45,788,160
2024	3,022,814	5,338,791	204,051	70,445	400,000	9,036,101	6.10%	43,930,613
2025	3,128,612	5,817,023	213,234	73,615	400,000	9,632,484	6.60%	41,508,775
2026	3,238,113	6,330,358	222,830	76,928	400,000	10,268,229	6.60%	38,405,682
2027	3,351,447	6,881,239	232,857	80,389	400,000	10,945,932	6.60%	34,533,926
2028	3,468,748	7,472,272	243,335	84,006	400,000	11,668,361	6.60%	29,797,028
2029	3,590,154	8,448,320	-	-	400,000	12,438,474	6.60%	24,088,592
2030	3,715,810	9,143,604	-	-	400,000	13,259,414	6.60%	17,291,374
2031	3,845,863	9,791,725	-	-	400,000	14,037,588	5.87%	9,276,280
2032	3,980,467	-	-	-	400,000	4,380,467	-68.79%	-
2033	4,119,784	-	-	-	400,000	4,519,784	3.18%	-
2034	4,263,977	-	-	-	400,000	4,663,977	3.19%	-
2035	4,413,216	-	-	-	400,000	4,813,216	3.20%	-
2036	4,567,679	-	-	-	400,000	4,967,679	3.21%	-
2037	4,727,547	-	-	-	400,000	5,127,547	3.22%	-
2038	4,893,012	-	-	-	400,000	5,293,012	3.23%	-
2039	5,064,267	-	-	-	400,000	5,464,267	3.24%	-
2040	5,241,515	-	-	-	400,000	5,641,515	3.24%	-
2041	5,424,968	-	-	-	400,000	5,824,968	3.25%	-
2042	5,614,842	-	-	-	400,000	6,014,842	3.26%	-
2043	5,811,361	-	-	-	400,000	6,211,361	3.27%	-
2044	6,014,758	-	-	-	400,000	6,414,758	3.27%	-
2045	6,225,274	-	-	-	400,000	6,625,274	3.28%	-
2046	6,443,159	-	-	-	400,000	6,843,159	3.29%	-
2047	6,668,670	-	-	-	400,000	7,068,670	3.30%	-
2048	6,902,073	-	-	-	400,000	7,302,073	3.30%	-
2049	7,143,646	-	-	-	400,000	7,543,646	3.31%	-
2050	7,393,674	-	-	-	400,000	7,793,674	3.31%	-